from Bagdogra Airport which covers a large geographical area? If the Minister is aware, would he make facilities available at Bagdogra Airport, which has a lot of traffic flowing in and which is spread over a large area?

SHRI PRAFUL PATEL: Sir, I am not aware of the specific meeting that the hon. Member has mentioned. But, I visited the Bagdogra Airport a few months ago and I inspected all the facilities. Yes, what he is saying right. It is a busy airport. It needs more upgradation. I know it is the closest way for him to reach home also. But, the fact is that it is an airport where we have a big expansion plan. I would also have to discuss this issue with the Ministry of Defence because the airport is an Air Force airport. And, in most of these Defence airports, for expansion of the civil facilities, we need land from them. Talks are on. The moment we get the land, I am sure like many other important cities and airports which are coming up in bigger way, Bagdogra Airport expansion will also be taken up. The only issue is about the land. Once I sort it out with the Ministry of Defence, I am very confident that we will take up the expansion work.

SHRI KHEKIHO ZHIMOMI: Sir, the hon. Minister is a very knowledgeable Minister. But, it seems when the question of North-East comes, his information seems to have been exhausted. I would like to request him that he should have the same knowledge regarding North-East as he has about other parts of the country. Now, I would like to ask whether the Ministry is contemplating to extend the night landing facilities to Dimapur Airport or not since it is the only airport in the State.

SHRI PRAFUL PATEL: Sir, I am little pained to hear this comment that we have lesser concern or knowledge of airports in the North-East. I would certainly like to update the hon. Member that the night landing facilities in the North-Eastern region are available at Dimapur, Guwahati, Lilabari, Silchar, Jorhat, which is IAF, Agartala, Lengpui, Imphal and Dibrugarh. So, regarding your question about Dimapur, I think, probably, you do not have information. As I said, all airports, which I have mentioned, have night landing facilities. Operations may not be taking place for various reasons, like the airlines don't wish to operate at night, or other reasons are there. But, the fact is that these facilities are available.

High-tech product export promotion scheme

*243. SHRI TARIQ ANWAR:††
DR. T. SUBBARAMI REDDY:

Will the Minister of FINANCE be pleased to state:

(a) whether his Ministry has operationalised high-tech product export promotion scheme;

(b) if so, whether this move comes two years after the scheme was announced in April, 2007 in annual supplement to the foreign trade policy;

---

††The question was actually asked on the floor of the House by Shri Tariq Anwar.

(c) whether this scheme provides for duty credit of 10 per cent on incremental export growth for exports of high-tech items;

(d) whether his Ministry has pointed out that benefit would be available for duty credit scrips issued against exports of 12 specified high-tech items; and

(e) to what extent it will be helpful for exports?

THE FINANCE MINISTER (SHRI PRANAB MUKHERJEE): (a) to (e) A statement is laid on the Table of the House.

Statement

(a) Yes, Sir.

(b) Yes, Sir. The Scheme was announced in the Foreign Trade Policy 2007 (01-04.2007). It was operationalized by the Department of Revenue after discussions with Ministry of Commerce *vide* Notification No.14/2009-Cus. dated 19.02.2009.

(c) No Sir. The High-Tech Product Export Promotion Scheme provides for duty credit scrips against exports of notified products, equivalent to—

(i) 1.25% of FOB value of exports; or

(ii) 5% of incremental growth in FOB value (realized as per Bank Realisation Certificate (BRC)/Foreign Inward remittance certificate (FIRC) against exports of notified products.

The exporter may opt for either (i) or (ii) above.

(d) Yes Sir. The Notification No. 14/2009-Cus issued by the Department of Revenue opetationalising the High-Tech Product Export Promotion Scheme extends the incentives in the form of duty credit scrips against the export of 12 notified high-tech items.

(e) This incentive will help Indian exporters of notified high-tech products to offset costs involved in marketing of these products thus making export of their products internationally competitive.

SHRI TARIQ ANWAR: Sir, I am thankful to hon. Finance Minister for giving a detailed answer to my question. My supplementary is very small - the details of the products which come under the High-tech Product Export Promotion Scheme; whether, with the help of this Scheme, benefits on duty credit will be given for importing of some items; and, if so, the details thereof.

SHRI PRANAB MUKHERJEE: Sir, so far as the 12 items, which have been notified under the Scheme on 19th of February, are concerned, these are mainly related to the Ministry of Telecommunications and the Department of Electronics. If the hon. Member is interested, I can mention some of these items - Public Call Office using wireless satellite technology, point-of-sale terminal, transaction terminals using GSM, CDMA, H-net technology, SIM cards, memory cards, cellular phones with 3G standard wireless internet, automatic bank note dispensers, ultrasonic scanning operators, and so on and so forth. There are 12 items which have been

notified as high-tech items, on the export of which the exporter will be eligible to have some sort of rewards. Rewards are in two forms. If you want to opt for the FOB value, then, 1.25 per cent of the FOB value, that means, if FOB value is 100, you will get the benefit of 125, or 5 per cent of the incremental export. If the export level was 100, and, if he has done 120, then, five per cent of that 20 will be his entitlement. He will also get the duty-free scrips. These are the instruments to make money and the facilities are being provided to the exporters. As he is making serious efforts to export in difficult markets, and, the cost of exporting these items is little more because these are highly competitive items, these incentives are being provided to them to facilitate this, and, they are entitled to have these incentives.

SHRI TARIQ ANWAR: Sir, my second supplementary is: a) whether the Government is also planning for introduction of agro-processed exports focussing on employment generation sectors like agriculture and small-scale industries; b) if so, the details thereof; and, c)...*(Interruptions)*...

श्री सभापति : कोई एक सवाल पूछिए।

SHRI TARIQ ANWAR: Sir, it has 'a', 'b', and 'c' part. *(Interruptions)*

MR. CHAIRMAN: No, no. One question only. *(Interruptions)*

SHRI TARIQ ANWAR: I am not giving '*bhashan*', Sir.

MR. CHAIRMAN: No, no. *(Interruptions)* The question has to be one.

SHRI TARIQ ANWAR: Sir, I would also like to know the details of the other related schemes implemented in the country for promotion of exports in different sectors.

SHRI PRANAB MUKHERJEE: Sir, in general, I would say that we would also like to encourage the exports of the agro-based industries. But for the details of the exports and the facilities which will be available, the hon. Member will have to wait for the Foreign Trade Policy which is going to be announced by my colleague. The normal practice is that the Foreign Trade Policy is announced by the Commerce Minister after the presentation of the annual Budget, and, as the annual Budget this year has been presented a little late on the 6th of July, naturally, the Foreign Trade Policy is a little late. A couple of discussions between me and the Commerce Minister will be required, and, after that, it will be finalised, and, before the end of this Session, I expect that the Commerce Minister will be in a position to place the policy for the export-import for the current year.

SHRI T. SUBBARAMI REDDY: Sir, it is clear that due to global slow down, exports have been going down. Keeping in view this slow down, the Ministry of Commerce has already announced tax waivers. Apart from that, the export-linked service tax benefits have been given to exporters; export duty benefit scheme has been extended to SEZs, and, the Focus Product,

Focus Markets scheme and the DEPB scheme have also been extended. So, I would like to know the stand of the Ministry of Finance with regard to these schemes.

SHRI PRANAB MUKHERJEE: Sir, so far as high-tech export promotion scheme is concerned, as I have mentioned, twelve items have already been agreed between the Department of Commerce and the Department of Revenue. There is no doubt that there has been some delay but despite that, now, from 19th February, it is operational. Factually, it is correct that because of the slow down and financial crisis all over the world, our exports have gone down, and, it is quite natural because the destination of our exports, to a considerable extent, is towards the west, to the North America and the European Union. The European Union, as a whole accounts for more than 36 per cent of the total exports. The United States alone accounts for more than 16 to 17 per cent of our total exports. Japan also accounts for another 15 to 16 per cent. So, more than 68 per cent of our total exports is destined towards these directions, and, the economic slow down will have effects. The details of the export incentive scheme are worked out by the Ministry of Commerce, and, as I mentioned, as and when he will formulate his view, the Export-Import, the EXIM policy, will come out, and, we will come to know about it.

SHRI MOINUL HASSAN: Sir, I would say that this is a good move to make our products internationally competitive. But according to the reply given by the hon. Minister, it is a fact that the number of items is in the lower side. There are two special categories or conditionalities, that is, FoB and incremental growth. Observing the present situation of global economy, I would like to ask, through you, the hon. Minister this question. Is there any scope to enhance the items, to relax the conditionality, to make our products internationally competitive and enhance the present export rate?

SHRI PRANAB MUKHERJEE: Sir, no doubt, the Commerce Minister will be quite happy to accept the suggestion of the hon. Member readily. But, as Finance Minister, I shall also have to look into the quantum of revenue sacrificed. Therefore, we always try to make an adjustment and agree, so that the revenue sacrifices are not too high.

SHRI PRAKASH JAVADEKAR: Sir, the idea of export competitiveness internationally is all about timely decision and its timely implementation. As we have already seen from the answer, there was already a delay of two years. The Scheme was declared in 2007 and implemented in 2009. The Minister has accepted it that it was late. Governments the world over make flexible policy for making exports competitive, so that the rate of incentive and, at the same time, its timely implementation are taken care of. My question is whether the Government is ready to have this flexible approach to really make our exports competitive. Our exporters should be really benefited by giving them a flexible rate benefit taking into consideration the international environment.

SHRI PRANAB MUKHERJEE: Sir, I do agree with the hon. Member that timely decision is absolutely necessary. In this case, yes, there was a delay. I have just stated the facts of the case. I have myself reviewed the situation. Earlier, up to mid-90s, the practice was that the customs people and the DGFT used to issue two notifications simultaneously. As the hon. Member is aware, the DGFT issues notification on behalf of the Commerce Ministry and the Department of Revenue looks into it from revenue angle. Therefore, the arrangement was that simultaneous vetting and, if possible, simultaneous release of notification were being done. That would be beneficial to the exporters. But because of some divergence of view, this did not take place. In this case, an extraordinary delay took place. I admit it candidly. But I assure the hon. Member that exporters would not be affected. I checked up the scheme. The first two items were introduced in the month of August and the eligibility will start from either route, whether FOB route or incremental route. Whichever route the exporter wants to go, he will have the advantage of 24 months to have it. Normally, the claim will arise after one full year of the realisation of the foreign exchange. So, that time is available. I will ensure that this scheme, which is currently in operation, does not, in any way, affect the interests of exporters.

As far as the other matter of detailed policy is concerned, we shall have to wait for the Commerce Minister's announcement on flexible policy, which he is talking about, and which is being considered currently. This is neither appropriate for me nor this is the occasion to speak on that.

SHRI JESUDASU SEELAM: Sir, the hon. Minister mentioned that the scheme has been under implementation for the last five-six months. What is the quantum of value in terms of money of this duty credit scrip so far issued in the form of incentives? Is it commensurate with the growth of exports in the high-tech products, which are listed? Also, is there any thinking to increase the items in the list of high-tech products?

SHRI PRANAB MUKHERJEE: Sir, so far as the last question is concerned, I shall have to take some more time to review the situation how markets are developing. Perhaps this is not the right time to expand the scheme. Because continuously from October onwards, the exports are going down and there is no sign, till now, of the revival of the economy either in Europe or in North America. Of course, in the new markets, if they can explore the possibility, we would like to encourage it. And, in fact, I have suggested this to my colleague, the hon. Commerce Minister. I have given some incentives in my Budget also for exploring the new possibilities, possibilities of going to new markets and not depending heavily on the European markets and North American markets. But, that will take some time. So, the expansion of the scheme by including more items will have to be reviewed after analysing the ground situation. So far as

receipt of the claim is concerned, as I mentioned, the claim will come after exporting. It takes one year to get the foreign exchange realisation and thereafter, reporting. So, unless they ask for the incentives, it would not be possible. Perhaps, sometime after 10-12 months, the exporters will start claiming and we will be in a position to know it.

Grants for salary of PSE employees

*244. SHRI MAHMOOD A. MADANI:
SHRI SANTOSH BAGRODIA:††

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) how many Public Sector Enterprises (PSEs) under his Ministry have been receiving the budgetary grants to pay salary to their employees;

(b) the details of annual budgetary grant received, PSE-wise; and

(c) what is the criteria on which such grants were given and whether such grants covered all the sick PSEs?

THE MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI VILASRAO DESHMUKH): (a) to (c) A statement is laid on the Table of the House.

Statement

(a) and (b) Budgetary support to sick and loss making CPSEs are not given in the form of grant, but in the form of loan towards payment of Salary, wages and statutory dues. The details of such CPSEs under Department of Heavy Industry and the budgetary support given to them for the years 2004-05 to 2008-09 are given in the enclosed Statement-I (*See* below).

(c) Criteria on which Budgetary support as loans are extended to CPSEs are:-

(i) The CPSEs are still loss making under the definition given in Sick Industrial Companies (Special Provision) Act, 1985/Department of Public Enterprises Resolution dated 6.12.2004.

(ii) The CPSEs are unable to pay the salary/wages due to their poor financial conditions.

(iii) The revival/closure plan is pending consideration of Government/BIFR for approval based on recommendations of BRPSE.

No salary/wage support is sought for CPSEs whose Revival plans have been approved and implemented.

Such budgetary supports have covered all sick CPSEs under the Department of Heavy Industry, which are making operational losses.

---

††The question was actually asked on the floor of the House by Shri Santosh Bagrodia.